



**CITY OF SCOTTSDALE  
TOURISM DEVELOPMENT COMMISSION  
REGULAR MEETING**

**Tuesday, January 21, 2014**

**Kiva Forum – City Hall  
3939 N. Drinkwater Boulevard  
Scottsdale, Arizona 85251  
**APPROVED MINUTES****

**PRESENT:** Kathleen Glenn, Chairperson  
David Scholefield, Vice-Chairperson  
Ace Bailey  
Tom Enders  
Ren Hirose  
Robert McCreary

**ABSENT:** Carl Grupp

**STAFF:** Steve Geiogamah  
Danielle Casey  
Holli Shannon  
Paul Katsenes  
Sharron Walker

**GUESTS:** Rachel Sacco, SCVB  
Caroline Stoeckel, SCVB  
Rachel Pearson, SCVB  
Dave Alford, Parada del Sol  
Jason Rose, Horse & Horsepower

**1. Call to Order/Roll Call**

Noting the presence of a quorum, Chairperson Glenn called the regular meeting of the Scottsdale Tourism Development Commission to order at 8:02 a.m.

**2. Approval of Minutes**

- December 17, 2013 Regular Meeting

**COMMISSIONER BAILEY MOVED TO APPROVE THE MINUTES OF THE  
DECEMBER 17, 2013 TOURISM DEVELOPMENT COMMISSION REGULAR**

**MEETING. COMMISSIONER HIROSE SECONDED. THE MOTION CARRIED BY A VOTE OF SIX (6) TO ZERO (0). COMMISSIONER GRUPP WAS ABSENT.**

**3. Manager Reports**

a. Staff Bed-Tax Collection Report

Steve Geiogamah noted a substantial 22% increase in bed tax collections for November, which he attributed mostly to an audit issue in the prior year that caused an anomaly. Apart from that anomaly, the revenue increased 14%. Chairperson Glenn said the numbers suggest that corporate business is returning. Commissioner Scholefield reported a strong fourth quarter in group business, with transient business expected to grow in the first part of the calendar year. Commissioner Hirose concurred. Commissioner Enders reported that business in the beginning of this year is much improved over last. Commissioner Bailey reported an increasing number of inquiries for group tours since the start of the year.

b. Bed Tax Proforma

Mr. Geiogamah reported no changes to the proforma since last month. Commissioner Scholefield inquired about the DDC line item under multi-year commitments. Mr. Geiogamah explained that the amount is reserved by the TDC, but it will not be listed until City Council approves it. Future reports will clarify that.

c. Smith Travel Report

Report was provided

d. Program Updates

Mr. Geiogamah reviewed that Valerie LeBlanc of PLACES Consulting provided a brief presentation to the General Plan Task Force, while Danielle Casey provided an update regarding Economic Development and its strategic plan efforts.

The Day Tripper boarding reports will be provided as weekly updates through the season. Ridership numbers appear to have increased so far. The TDC will undergo a sunset review in May. The City Council Audit Committee evaluates all Scottsdale boards and commissions systematically to determine whether they still serve their intended purposes.

**4. Tourism Development Commission Annual Report**

Mr. Geiogamah presented the TDC Annual Report for the Commission's review. The approved report will go to City Council in March. The report describes the actions taken over the past calendar year. Chairperson Glenn inquired about inclusion of the event intercept survey and the revamping of the City Event Funding Program. Mr. Geiogamah explained that the intercept survey was discussed as part of the event support funding program, but for clarity will be noted separately.

Chairperson Glenn requested a revision to clarify the TDC's consensus view that while the Civic Center Mall Master Plan is not really a bed tax generating project, it would be prudent for the Commission to continue receiving updates on it. She also recommended formatting the document to list all the action items at the top. Commissioner Scholefield suggested specifying event years for clarity, and noted that the TDC's recommendation on the Charles Schwab Cup included a Scottsdale room block requirement. It should also be clarified that the TDC made a recommendation on trolley funding.

**COMMISSIONER HIROSE MOVED TO APPROVE THE TOURISM DEVELOPMENT COMMISSION ANNUAL REPORT AS AMENDED. COMMISSIONER MCCREARY SECONDED. THE MOTION CARRIED BY A VOTE OF SIX (6) TO ZERO (0). COMMISSIONER GRUPP WAS ABSENT.**

#### **5. Scottsdale PRCA Champions Challenge – New Event Funding Proposal**

Mr. Geiogamah stated that the Scottsdale PRCA Champions Challenge is requesting \$75,000 in new event funding support from the bed tax fund. The Champions Challenge is a new addition to the circuit to be held on the Thursday before the community event, which will extend the Parada del Sol by one day. Room blocks have been arranged with five hotels, four of which are based in Scottsdale.

Dave Alford said he has lived in Scottsdale his entire life and has been involved with Parada del Sol since childhood. Parada del Sol, Inc. is a 501(c)(4) organization that runs both the parade in downtown, and the rodeo in north Scottsdale. The events are entirely run by volunteers. The Tony Nelssen Center was sold out for two days last year during the rodeo. PDS Inc. organized the First Annual Bull Riding Challenge for the Barrett-Jackson Collector Car Auction. The rodeo business is big, and Scottsdale has the potential for much more. The Professional Rodeo Cowboy Association (PRCA) National Finals Rodeo has a \$60 million economic impact on Las Vegas during its ten-day run, not including gaming. The rodeo fan base grew by 17% last year.

The PRCA picked Scottsdale for the seven-event Champions Challenge after conducting a nationwide search for a location. The WestWorld venue and the Parada del Sol's long history were factors in their decision. The Challenge will be nationally televised on CBS Sports within ten days of the event, and replayed three times. As a side benefit, the PRCA Annual Sponsors Summit decided to move from Florida to Scottsdale this year. The Champions Challenge will help put Parada del Sol on a national stage. It guarantees participation by the top ten cowboys in each event, just like the National Finals.

Commissioner Hirose noted that the majority of the media budget is spent after the event, and inquired about the effort to draw people to Scottsdale prior to the event. Mr. Alford explained that the PRCA spends a large amount of money advertising the Challenge nationally. The Parada del Sol is engaged in the local campaign.

Chairperson Glenn said advertising outside of Maricopa County would have to be increased, but the TDC cannot overlook the enhanced experience that tourists would enjoy from the rodeo while they were here. Mr. Alford said PDS Inc. is working with the SCVB to develop video segments highlighting Scottsdale during the national broadcast.

Commissioner Hirose requested that Parada add links for hotel bookings through the SCVB website. Mr. Geiogamah noted that for new events, having advertising outside of Maricopa County is generally a recommendation, not a requirement. The intent of the program is to help grow new events.

**COMMISSIONER HIROSE MOVED TO RECOMMEND THAT THE SCOTTSDALE PRCA CHAMPIONS CHALLENGE BE FUNDED IN THE AMOUNT OF \$75,000 WITH THE STIPULATION THAT THE EVENT SUBMIT A MARKETING BUDGET THAT ENSURES THE CITY WILL RECEIVE A RETURN ON ITS INVESTMENT OF PROPORTIONATELY EQUAL VALUE. COMMISSIONER MCCREARY SECONDED. THE MOTION CARRIED BY A VOTE OF SIX (6) TO ZERO (0). COMMISSIONER GRUPP WAS ABSENT.**

#### **6. TDC Work Study Meeting Follow-Up**

Mr. Geiogamah provided a summary of the TDC's December Work Study Session, which was focused on events and event development. Two objectives emerged from the meeting: to refine the current event funding program, and to recruit new events to Scottsdale. The summary will be used by staff as a working document to advance the ideas.

Vice Chairperson Scholefield noted that event producers have expressed concern that they get paid after their events, but still must incur all the costs prior to their events. Commissioner Enders requested that the summary contain a list of the four tasks set before the working group: quantifying room night requirements, determining PR value, adjusting the application period, and simplifying post-event reporting.

Chairperson Glenn requested a progress update on finding different ways to fund event programs besides marketing dollars that will help entrepreneurs turn their ideas into reality. Mr. Geiogamah reported that staff is working to identify the challenges and possible solutions associated with that type of project investment. Chairperson Glenn requested regular updates on the issue.

#### **7. SCVB First and Second Quarter Performance Measures Report**

Rachel Sacco provided an overview of the SCVB's work for the Scottsdale area from the beginning of the fiscal year in July to the end of December. Year to date bookings for all corporate and association groups has increased by 18%. The number of group sector room nights increased by 34%. About 44% of the bookings are happening during targeted need periods.

The fiscal year began with a new campaign called "Break the Rules," and resulted in web users visitors spending 62% more time on the website than average, and reaching 19 million impressions. The SCVB is in the second year of a three-year campaign to bring Scottsdale golf back to the forefront. Several golf courses have pulled together to provide research on the local impact of golf. Scottsdale has received a great deal of media representation, especially in Canada. The SCVB has been working with the

Arizona Office of Tourism's International Press Corps to ensure they are well informed about Scottsdale as they represent Arizona in Europe. Client events were held in Los Angeles and Colorado. The SCVB helped create maps and promote the Scottsdale Day Tripper.

Ms. Sacco said early returns suggest that the holiday campaign resulted in higher occupancy, ADR, and RevPar during December. The Fiesta Bowl and Buffalo Wild Wings Bowl resulted in ADR and RevPar increases, but occupancy was a bit flat for both. Scottsdale has built a strong reputation for providing good hospitality during bowl games. Arizona has secured the 2016 College Football Championship. A brand-new television campaign is getting strong reviews.

Ms. Sacco said the SCVB is preparing a new set of branding efforts on transit trains and stations in New York, Chicago, Denver, and San Francisco. All metrics are on track to meet or exceed annual goals. In response to a comment by Chairperson Glenn, Ms. Sacco said efforts by other communities to copy the SCVB's train wrapping campaign ultimately give more attention to Scottsdale. Staff is already looking for the next promotion innovation.

## **8. Horses & Horsepower Event Update**

Mr. Rose provided a quick update on the H&H polo event. The 2013 tournament was a success, and has become the largest polo event in the U.S. or Europe. The goal is to make it the largest in the world. Out of market spending rose this year with good results. The Saguaro served as the host hotel. The car component served as a sneak preview for Barrett-Jackson, and will continue to expand in future years. Other Scottsdale brands like the Arabian Horse Show and Scottsdale Healthcare are using the polo event as a platform. The event raised \$50,000 for local charities.

Mr. Rose said Scottsdale is being considered as the host site for the 2015 College Polo Championships. The U.S. Polo Association will hold their annual meeting in conjunction with the 2014 H&H event, which will generate 600 to 800 room nights. Future growth depends on constantly improving the event. Good opportunities exist to make serious inroads in attracting the Latino community. Mayor Lane has issued an invitation to the British Royal Family. The only gay professional sports league in the U.S. has been invited to participate. The 2014 event will move to a Saturday/Sunday schedule this year.

Mr. Rose explained that one ongoing challenge is to build awareness, and this could be done by offering free tickets to hotel guests. Scottsdale's premier special events started small and grew to their current size. This takes time. Another challenge is to build corporate sponsorships. Event costs from the first year have septupled. He welcomed changes and suggestions from the Commission in advance of a formal request for funding next month.

Mr. Rose noted that he is also producing Spikes and Spokes in April, which will aim to do for rugby what Horse and Horsepower is doing for polo. The goal is to develop a two-day, four-team championship tournament.

Chairperson Glenn commended Mr. Rose for addressing many of the TDC's questions. In response to her inquiry, Mr. Rose agreed that the RFP for the U.S. Polo Association Annual Meeting would stipulate that room nights must be in Scottsdale.

Commissioner Enders inquired about the effort to track room nights. Mr. Rose took issue with some of the survey results, noting that 26% of guests were said to have used Groupon, even though Groupon accounted for only 4% of overall sales. He felt the percentage of people who came from out of town was significantly higher than the survey suggested. Commissioner Enders stated that the TDC wants to help quantify the room nights so that the tournament can qualify for the Tiered Event Program once the New Event Program no longer applies.

Chairperson Glenn inquired about an apparent discrepancy in the report from the Artigue Agency regarding room nights and bed tax revenue. Mr. Geiogamah explained that the report assumes that some individuals were not surveyed who could potentially have stayed in Scottsdale properties. Chairperson Glenn queried whether the survey process could be improved. Mr. Geiogamah responded that the process is being fine-tuned to use a different approach for events that are primarily participant driven.

Chairperson Glenn stated that it was her expectation that funding requests from H&H would decrease each year as the event gained momentum. Mr. Rose responded that as the event's impact has grown, so too have the expenses. The third year is extremely important and the money will be very well spent. Commissioner Bailey inquired about the growth of corporate sponsorships. Mr. Rose said the challenges in going from a local sponsorship orientation to a national one are substantial. It will take time. Commissioner Hirose requested that the formal presentation include information on the difference between the marketing money spent inside and outside Maricopa County.

## **9. Election of Officers**

**KATHLEEN GLENN MOVED TO NOMINATE DAVID SCHOLEFIELD AS CHAIRPERSON OF THE TOURISM DEVELOPMENT COMMISSION. ACE BAILEY SECONDED. THE MOTION CARRIED BY A VOTE OF FIVE (5) TO ZERO (0), WITH MR. SCHOLEFIELD ABSTAINING. COMMISSIONER GRUPP WAS ABSENT.**

**ACE BAILEY MOVED TO NOMINATE TOM ENDERS AS VICE CHAIRPERSON OF THE TOURISM DEVELOPMENT COMMISSION. ROBERT MCCREARY SECONDED. THE MOTION CARRIED BY A VOTE OF FIVE (5) TO ZERO (0), WITH MR. ENDERS ABSTAINING. COMMISSIONER GRUPP WAS ABSENT.**

## **10. Identification of Future Agenda Items**

Mr. Geiogamah reported that the February meeting will contain an agenda item to review criteria for identifying tourism-related capital projects. Horses and Horsepower will make a formal funding request. The TDC will discuss the budget for the Tourism Strategic Marketing Plan. The SCVB Destination Marketing Guide will come up in May.

Chairperson Scholefield requested continued updates on the trolley, verification of the Scottsdale room block for the Schwab Cup, and updates from the Tourism Advisory Task Force and the Event Working Group.

**11. Public Comment**

Jason Rose said the gift clause is an issue of real concern. H&H hired the chief litigant of the gift clause to conduct a review and offer advice on how to handle matters. He cautioned that any event promoter that suggests they need to be funded in advance could lack the financial standing to follow through on their commitments. The post-event report is a useful exercise for planning future improvements.

Commissioner Bailey noted that groundbreaking for the Western Museum occurred on January 20, 2014.

**12. Adjournment**

The meeting adjourned at 9:40 a.m.

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